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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/696,538	10/25/2000	Timothy Redpath	20563-000100US	3091
20350	7590	05/04/2006	EXAMINER	
TOWNSEND AND TOWNSEND AND CREW, LLP TWO EMBARCADERO CENTER EIGHTH FLOOR SAN FRANCISCO, CA 94111-3834			DASS, HARISH T	
			ART UNIT	PAPER NUMBER
			3628	

DATE MAILED: 05/04/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 09/696,538	<b>Applicant(s)</b> REDPATH ET AL.	
	<b>Examiner</b> Harish T. Dass	<b>Art Unit</b> 3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 02/09/2006.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 10-18 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 10-18 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### DETAILED ACTION

Claims 1-9 are canceled.

#### ***Claim Rejections - 35 USC § 112***

1. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 10-18 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Specifically, claim 10, lines 11-12, limitations “monetary consequence” cannot be found in original specification. Examiner failed to find any portion of the original specification including original claims that explains this limitation. Applicant should point out portion of the specification that explains this limitation, otherwise the limitation should be removed from independent claim as well as dependent claims.

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 10-18 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The metes and bounds of claims are vague and

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indefinite. More specifically it is not clear how a simulator, which is virtual trading, is used for executing actual trading. In other word, either the system is a simulator, for example a trading game, or a trading terminal such as e-trade website. It is not clear whether the claims are for simulator or actual trading? For example, a flight simulator allows the student to learn flying functions a particular plan in controlled environment and the actual flying a plan independent of the flight simulator. Similarly, a simulator trading system is a simulator not a trading terminal. Applicant can change the preamble to include both.

3. Claims 10-18 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Specifically claim 10, line 12 "by a system operator to thereby earn money" is not clear. Clarify this limitation and point out portion of the specification that explains this limitation clearly.

### ***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 10-13 and 15-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Applicant's Admitted Prior Art (APA), page 2 line 10 to page 3 line 13, especially

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page 2 line 21 & 27 in view of Shyla Sangaran, May 22, 2000 "Getting the fell of trading stocks online", New Straits Times, Kuala Lumpure (hereinafter – Shyla) and Harrington et al (hereinafter Harrington – US 6,161,099).

Re. Claim 10, APA discloses setting up an account representing a predefined portfolio of nonzero value for each of a plurality of participants, each of the accounts having no actual monetary value; simulating trades by the plurality of participants; applying the simulated trades to the portfolios of the trader participants to thereby update the representative value of the predefined portfolio;

APA does not explicitly disclose awarding each participant an item of value in an amount having a monetary value that is a function of their respective portfolio's performance over an investment period; and

executing actual trades that each have a monetary consequences by a system operator to thereby earn money to provide the items of value.

However, Shyla discloses awarding each participant an item of value in an amount having a monetary value that is a function of their respective portfolio's performance over an investment period [see both pages] for letting the local investors to become member and have opportunity to experience buying and selling via Internet and win their portfolio value without risk at the end of week.

Harrington discloses executing actual trades (auctions of financial instrument - bonds) and that each have a monetary consequences (yield) by a system operator to thereby earn money to provide the items of value [Abstract – Figure 13 (yield), C3 L47-

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L67; C4 L56 to C5 L42; C9 L40-L55; col. 12 lines 15-16, 24-29 -- (see assisting the user in preparing a bid, calculation sheet, cost of bid prior to submitting bid, the bidder may prepare a tentative bid, review it and modify it before submitting it and avoid risk)) for allowing the bidder to calculate the proposed risk before executing the trade.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosure of APA and Shyla to encourage the investors with rewards for using Internet for virtual stock trading game trade simulation and combine the disclosure of APA, Shyla and Harrington to let the traders (bidders) calculate their risk before exercising actual trade.

Re. Claims 11-13, Shyla, further, discloses wherein the item of value is an amount awarded at the end of the investment period. Neither APA or Shyla nor Harrington does explicitly disclose wherein the item of value is an amount awarded at the end of the investment period that is equal to all of the representative net profits the participant simulated during the investment period, wherein the item of value is an amount awarded at the end of the investment period that is equal to all of the representative net profits the participant simulated during the investment period up to a predetermined maximum award and wherein the item of value is an amount awarded at the end of the investment period that is a percentage of less than 100% of the representative net profits the participant simulated during the investment period.

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However these are business choices to encourage players (stock/security trading players) to become member and play the game of simulation more often, which benefits the internet web site to profit from membership and placement of advertisement.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosures of APA, Shyla and Harrington and include incentives, which encourage players to play more and in return benefits the simulator operator bottom line, more revenue from membership, pay to play, or advertisement.

Re. Claim 14, neither APA or Shyla nor Harrington does explicitly disclose a step of offsetting risk to a system operator by one or more of sponsorships, advertising and participant fees. However, this is well known to professionals where magazines are given free and Internet service providers to offset the loss of membership (subscriber) fee with advertisement money. For example, Netzero an internet service provider does not charge member subscriber a monthly fee to encourage more people to register with service provider where the members' monthly fees are offset by getting more advertisement money from advertisers. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosure of APA, Shyla and Harrington and encourage more investors to play the simulator to allow the owner of the simulator web site (online) to generate more advertising money which will offset the membership fee.

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Re. Claim 16, Shyla further discloses wherein the actual trades having monetary consequences by the system operator are entirely based upon the simulated trades of the participants [see page 2 lines 3-4].

Re. Claims 15, 17-18, the claims 15, 17-18 are substantially same as claim 16 and it would be obvious to one of skill in the art to modify the teaching of the Shyla and select any amount for trading that is desired by the investor based on his/her financial goals.

### ***Response to Arguments***

2. Applicant's arguments filed 02/09/2006 have been fully considered but they are not persuasive. Because:

In response to applicant argument that "Shyla discloses awarding each ... performance over an investment period..." Shyla discloses awarding each participant (public) an item of value (prize or education) in an amount having a monetary value (cash – "RM" or educational benefits) that is a function of their respective portfolio's performance (portfolio value of cash and stocks) over an investment period (at the close of the week). It is obvious that education have a value. Additionally, Shyla discloses grand prize at the end of six weeks of the game based on the highest weekly valuation gained by an investor. The grand prize and selected two winners are given a prize based on their gains and portfolio value (which is winner's performance), which means that the prizes are function of performance. For example, a top performer in six week gets RM10,000 cash, and an inadequate performer may not get any thing.

In response to applicant's argument (page 5) recites "there is no disclosure or even suggestion in Harrington to execute actual trades to thereby earn money to provide items of value that are awarded to participants in simulated trading system." that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., execute actual trades to thereby earn money to provide items of value that are awarded to participants in simulated trading system) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Further, It is obvious that any trade has a gain (yield), loss or no change in value a specific period of time, if a trader's transaction makes a gain (yield), the trader has earned an item of value which can be a share of portfolio, stocks, bonds, dividend or interest, and the agent, portfolio manager and/or trading institution earn money (commission or fee) based on the transaction(s) of the trader(s).

### ***Conclusion***

Claims 10 - 18 remained rejected under 35 USC 103 and 35 USC 112.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T. Dass whose telephone number is 571-272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Harish T Dass  
Examiner  
Art Unit 3628



4/18/06